

STATE OF HAWAII  
STATE PROCUREMENT OFFICE  
HONOLULU, HAWAII

LEGAL AD DATE: MAY 1, 1997

INVITATION FOR BIDS

NO. IFB-97-187-K

SEALED BIDS

FOR

FURNISHING

OPERATION AND MAINTENANCE SERVICE OF KEKAHA AGRICULTURAL PARK  
IRRIGATION SYSTEM

DEPARTMENT OF AGRICULTURE

will be received up to and opened at 2:00 p.m.

on

May 20, 1997

in the State Procurement Office, Kalanimoku Building, 1151 Punchbowl  
Street, Room 416, Honolulu, Hawaii 96813.

Questions relating to this bid solicitation shall be directed to  
Mrs. Sharon Koga at telephone (808) 586-0562, facsimile (808) 586-0570.

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ROBERT J. GOVERNS, CPPB  
Procurement Officer

IFB-97-187-K

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Name of Company

**WAGE CERTIFICATE**  
(For Service Contracts)

Subject: IFB/RFP No.: \_\_\_\_\_

Title of IFB/RFP: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(To be completed by offeror)

Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I hereby certify that if awarded the contract in excess of \$5,000, the services to be performed will be performed under the following conditions:

1. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work; and
2. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by section 103-55, HRS.

Offeror \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

OPERATION AND MAINTENANCE SERVICE OF KEKAHA AGRICULTURAL PARK  
IRRIGATION SYSTEM  
IFB-97-187-K

Procurement Officer  
State Procurement Office  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Terms and Conditions dated September 1, 1995 by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof.

The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Date: \_\_\_\_\_

Respectfully submitted,

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

\_\_\_\_\_  
Exact Legal Name of Offeror

Payment address, if other than  
street address at right:

\_\_\_\_\_  
Authorized Signature (Original)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Hawaii General Excise Tax Lic.  
I.D. No.: \_\_\_\_\_

\_\_\_\_\_  
Street Address

Social Sec. or Federal I.D. No.: \_\_\_\_\_

\_\_\_\_\_  
City, State, Zip Code

If offeror shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

\_\_\_\_\_  
Offeror is: \_\_\_ Individual \_\_\_ Partnership \_\_\_ Corporation \_\_\_ Joint Venture

State of incorporation: Hawaii \_\_\_\_\_ \*Other \_\_\_\_\_

\*If "other", is corporate seal available in Hawaii? \_\_\_ Yes \_\_\_ No

The following bid to provide operation and maintenance services to the Kekaha Agricultural Park Irrigation System, Department of Agriculture, for a twelve-month period, is hereby submitted:

**GROUP I: Scheduled Operation, Maintenance & Inspection Services**

Operation, maintenance & inspection services performed during normal work hrs, 7:30 a.m. - 4:00 p.m., Monday - Friday, except State holidays.

<u>Description</u>	<u>Unit Bid Price</u>	<u>Quantity</u>	<u>Total Bid Price</u>
1. Weekly inspection service as specified	\$_____	x 52	\$_____
2. a. Monthly maintenance & inspection service as specified	\$_____	x 12	\$_____
b. Monthly ground maintenance service as specified	\$_____	x 12	\$_____
3. Quarterly maintenance & inspection service as specified	\$_____	x 4	\$_____
4. Semi-annual maintenance & inspection service as specified	\$_____	x 2	\$_____
5. Annual maintenance & inspection service as specified	\$_____	x 1	\$_____
<b>Sub-Total - Item Nos. 1 - 5:</b>			<b>\$_____</b>

Labor cost = \_\_\_\_\_ % of Unit Bid Price

**GROUP II: Authorized Repair Work**

<u>Description</u>	<u>Bid Price Per Hour</u>	<u>Est. Qty.</u>	<u>Est.Total Bid Price</u>
6. Authorized repair work performed <u>during</u> normal operating days & hours, Monday-Friday, 7:30 a.m. - 4:00 p.m.	\$_____/hr	100 hrs	\$_____*

Labor cost = \_\_\_\_\_ % of Unit Bid Price

(\*Note: This amount shall be used for evaluation purposes only.)

**Est. TOTAL SUM BID PRICE - Item Nos. 1 - 6:** \$\_\_\_\_\_

Offeror \_\_\_\_\_

Bidder shall furnish the following information:

**Pumps**

1. **Contractor's License No.** \_\_\_\_\_ (Attach copy of license.)  
Electrical Contractor/Sub-contractor's License No. \_\_\_\_\_  
(Attach copy of license.)
2. **Service Facility:**  
Address \_\_\_\_\_  
\_\_\_\_\_  
Contact Person \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Business Hours \_\_\_\_\_
3. **Service Personnel:** (See **BIDDER QUALIFICATIONS.**)  
(a) Name \_\_\_\_\_  
Years of Experience: \_\_\_\_\_  
(b) Name \_\_\_\_\_  
Years of Experience: \_\_\_\_\_
4. Are services to be rendered by company employees similar or equal to public officers and employees listed on the attached employee classification descriptions? Yes \_\_\_\_ No \_\_\_\_  
If Yes, list positions(s): \_\_\_\_\_
5. **Commercial General Liability Insurance** coverage shall be provided by:  
Company \_\_\_\_\_  
\_\_\_\_\_  
Policy No. \_\_\_\_\_
6. **References:**  
Listed below are names and addresses of two (2) companies or government agencies for whom bidder has provided sewage pumping services.  

<b><u>Name of Firm</u></b>	<b><u>Address</u></b>	<b><u>Contact Person</u></b>	<b><u>Telephone</u></b>
a. _____	_____	_____	_____
b. _____	_____	_____	_____

Bidder \_\_\_\_\_

## **SPECIFICATIONS**

### **KEKAHA AGRICULTURAL PARK IRRIGATION SYSTEM**

#### **SCOPE**

The Contractor shall furnish labor, parts, materials, tools, equipment lubricants, transportation and supervision necessary to provide complete operation, maintenance, inspections and repairs to the Kekaha Agricultural Park Irrigation System, as described in Description of Work.

#### **DESCRIPTION OF WORK**

The Contractor shall perform complete inspection, operation, maintenance and repair service, and emergency calls for all equipment included under this contract. The primary service shall consist of thorough operation and maintenance of pump systems and controls, including electric/electronic. Such service shall include regularly scheduled operation and maintenance tasks and inspections required for each unit listed herein. Repair and response of emergency calls are included in this contract but are not part of the primary service. The maintenance and repair tasks and inspection shall consist of the furnishing of all labor, equipment, supplies and tools necessary to perform thorough servicing and preventive maintenance of all integral parts, lubricating, adjusting, and protective painting, where needed to, keep the units in, or to return the units to, a continuous operating condition. All services performed will be subject to inspection and approval by the Department of Agriculture.

The Contractor shall not be responsible for repairs due to flagrant vandalism, fire, storm or other damages which can be attributed to causes beyond Contractor's control. However, the Contractor shall be responsible for such repairs if the damages are caused by the Contractor's failure to properly maintain and service the system and equipment.

The Contractor is responsible to provide parts and labor to perform all repair work for the equipment listed herein. The Contractor is responsible to provide all receipts for all repair parts and the hourly costs for labor for such repair work and response to emergency calls which are not included in the monthly charge for the primary service but are to be paid on a "time and material" basis.

The Contractor shall provide initial response to call-out within one hour of call-out, and have personnel on-site within 2½ hours of initial notification.

All services performed by the Contractor shall include, but not be limited to, the following applicable listed items:

1. Weekly
  - a. Check condition of inlet float and intake piping.
  - b. Inspect intake wet well for proper water level.
  - c. Observe condition of pump cut-off float switch.
  - d. Check pumps for vibration, noise and proper operation.
  - e. Clean oil, dirt and water from the exterior of the motor.
  - f. Check motors for proper lubricants levels.

## DESCRIPTION OF WORK (continued)

### 1. Weekly (continued)

- g. Ensure that motor air intakes and discharges are unobstructed.
- h. Alternate primary and backup pump designation.
- i. Record differential pressure of spin-clean filter and schedule cleaning as necessary.
- j. Visually inspect tank for leaks and corrosion.
- k. Make necessary repairs, corrections, or refurnish with lubricant or oil.

### 2. Monthly

- a. Check automatic pump controls valves for proper operation.
- b. Grease packing gland with packing lubricant.
- c. Check motor to pump coupling for alignment and security to shaft.
- d. Check motor bearings for abnormal temperature.
- e. Lubricate motor bearings per manufacturer's recommendations.
- f. Check mounting bolts for tightness.
- g. Clean and inspect contacts, re-torque as required.
- h. Make necessary repairs, corrections, or refurnish with lubricant or oil.

### 3. Quarterly

- a. Check automatic pump control system (tank to sequence switch assembly) for start/stop signal.
- b. Check reservoir level recorder assembly for proper operation.
- c. Check and clean all sensors, gauges, monitors, air relief valves and control devices to ensure correct calibration and proper operation.
- d. Inspect pump packing gland.
- e. Check the shaft for nicks or cuts which may compromise its integrity.
- f. Check and exercise all valves to ensure proper operation and tightness.
- g. Perform infrared scan for electrical equipment.
- h. Make necessary repairs, corrections, or refurnish with lubricant or oil.

### 4. Semiannually

- a. Clean pump control valve's inlets and outlet strainers.
- b. Remove and clean spin-clean filter.
- c. Check all concrete foundations for settling by checking for any misalignment of piping.
- d. Thoroughly clean out all dust and dirt from inside of electrical panels and starters.

## **DESCRIPTION OF WORK (continued)**

### **5. Annually**

- a. Scrape and sand to bare metal and paint all rusted areas for preventive maintenance (for valves, motors, mounts and pumps).
- b. Check condition of wiring and conduit from motor to starter.
- c. Open and clean pressure regulating and automatic control valves.
- d. Meggar motor and submit report and recommendations to the Department of Agriculture in writing.
- e. Repack suction ball bearing with grease (optional).
- f. Replace fuses, switches or bulbs as required.
- g. Touch up painting, if required.

## **LANDSCAPE MAINTENANCE**

### **Monthly**

1. Grounds maintenance within fence line of well site and storage tank including brush and weed cutting and removal of rubbish.
2. Repair and/or replace security fencing, if required.
3. Herbiciding may be used as alternate to cutting of brush and weeds.



## **SPECIAL PROVISIONS**

### **SCOPE**

The furnishing of services to operate and maintain the Kekaha Agricultural Park's Irrigation System on the island of Kauai for the Department of Agriculture shall be in accordance with these Special Provisions, the attached Specifications and the General Terms and Conditions dated September 1, 1995, included by reference and made a part thereof. Copies of the General Terms and Conditions are available at the State Procurement Office, Room 416, 1151 Punchbowl Street, Honolulu, Hawaii 96813 and at the DAGS District Office on Kauai.

### **OFFICER-IN-CHARGE**

For the purpose of this contract, the Administrator-Chief Engineer, Mr. Paul Matsuo, telephone number 973-9475, is designated Officer-In-Charge.

### **TERM OF CONTRACT**

The Contractor shall enter into a contract for furnishing services to operate, maintain and repair the irrigation system at the Kekaha Agricultural Park on Kauai for the twelve-month period commencing from July 1, 1997.

Unless terminated, the contract shall be extended for two (2) additional twelve-month periods without rebidding, upon mutual agreement in writing at least sixty (60) days prior to expiration, provided the contract price shall remain the same or lower than the initial bid price. The Contractor or the State may terminate the extended contract at any time upon sixty (60) days prior written notice.

### **BIDDER QUALIFICATION**

**Contractor's License.** It has been determined that all work to the irrigation system be performed by or under the supervision of a pumps contractor (C-57A), with licensed electrical sub-contractors (C-13). Bidder shall furnish bidder's license number, or the name and license number of bidder's employee who is licensed and will be doing and/or supervising all repairs to the systems. This information shall be provided on the space on the appropriate OFFER FORM page.

**Service Facility.** Bidder must have a service facility on the island of Kauai from where he conducts business and will be accessible to telephone calls, complaints or requests that need immediate attention. Service facility information shall be furnished on the appropriate OFFER FORM page.

**Service Personnel.** Personnel performing services for this contract shall have a minimum of two (2) consecutive years experience (immediately prior to bid opening) in the field of maintenance and repair of irrigation systems as specified herein.

## **BIDDER QUALIFICATION (continued)**

### **EXAMINATION OF PROJECT**

Prospective bidders are advised to visit the service site to thoroughly familiarize themselves with existing conditions and the kind and amount of work to be performed. Submission of bid shall be evidence that the bidder understands the scope of the project and will comply with all requirements if awarded the contract. No additional compensation will be made by reason of any misunderstanding or error regarding conditions at the services areas or the amount and kind of work to be performed.

Arrangements to inspect the job site may be made by contacting the Officer-in-Charge, Mr. Paul Matsuo, or his duly authorized representative, at (808) 973-9475.

### **MULTIPLE OR ALTERNATE BIDS**

An offeror may submit only one bid in response to a solicitation. If an offeror submits more than one bid in response to a solicitation, then all such bids will be rejected.

Similarly, an offeror may submit only one bid for each line item (if any) of a solicitation. If an offeror submits more than one bid per line item, then all bids for that line item will be rejected.

### **BID PREPARATION**

**OFFER FORM, Page OF-1.** Offeror is requested to submit its offer using offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on OFFER FORM, page OF-1. Failure to do so may delay proper execution of the contract.

Offeror's authorized signature shall be an original signature in ink. If OFFER FORM, page OF-1, is unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the offeror's intent to be bound.

**Bid Quotation.** For Item Nos. 1 - 5, **Unit Bid Price** shall include costs for all labor, equipment, supplies/materials, tools, all applicable taxes, transportation, and any other costs necessary to render operation, maintenance and inspection services as authorized.

For Item No. 6, **Bid Price/Hour** shall include costs for all labor, equipment, supplies/materials, tools, all applicable taxes, and any other costs necessary to provide repair services as authorized.

Parts for authorized repair work are not included in this contract and are to be billed separately as described herein.

Bidder must bid on all items, including Item No. 6, the fixed hourly rate for repair work performed during normal working days and hours, Monday - Friday, 7:30 a.m. - 4:00 p.m.

## BID PREPARATION (continued)

**Call-Out and Emergency Call Service.** Call-outs and emergency call services is made part of this contract, but not part of the primary service. Response time to these calls shall be as specified, but shall be limited to normal operating work days and hours, Monday through Friday, except State holidays.

**Tax Liability.** Work to be performed under this solicitation is a business activity taxable under Chapter 237, Hawaii Revised Statutes (HRS), and vendors are advised that they are liable for the Hawaii General Excise tax (GET) at the current 4% rate. If, however, an offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

The tax equalization provision of Section 103-53.5, Hawaii Revised Statutes, will not apply to the evaluation of this bid. Refer to Section 3.1 of the General Terms and Conditions.

**Hawaii General Excise Tax License.** In accordance with Section 3.1A of the General Terms and Conditions, bidder shall submit his current Hawaii General Excise Tax I.D. number in the space provided on OFFER FORM Page OF-1.

**Tax Clearance.** An **original or certified copy** of a tax clearance issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with your sealed offer by the due date and time. The tax clearance shall be obtained on the attached two-part **Tax Clearance Application (Form A-6)** that combines DOTAX and IRS tax clearances.

The application may be mailed in or walked in to either the DOTAX or the IRS. The addresses for DOTAX and IRS district offices are listed on Form A-6. There is limited walk-in service at IRS Maui and Hawaii offices, and none on Kauai.

The DOTAX and IRS encourage the use of their mail-in service, in lieu of walk-in service. We recommend that you mail it to DOTAX where it will be processed and forwarded to the IRS. The process should be completed within twenty-one (21) calendar days. Use of the walk-in service may result in waiting in line at both agencies.

For your information, the tax clearance is valid for forty-five (45) days. If the DOTAX approves a tax clearance certificate on one date and the IRS approves it on another date, the 45-day period will begin with the later date. For example:

DOTAX approval stamp date:	7/1/96
IRS approval stamp date:	7/5/96
Tax clearance valid:	7/5/96 to 8/18/96

The tax clearance submitted with your sealed offer must be valid on the solicitation legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with your offer will remain valid for the contract award.

## **BID PREPARATION (continued)**

### **Tax Clearance (continued)**

Since this is a new process, however, and a mail-in application is encouraged, we will accept for the purpose of this solicitation a completed SPO Form TEMP B, "Certification for Tax Clearance" in place of the DOTAX Form A-6, if you are unable to obtain a tax clearance by mail in time to include it with your sealed offer. See attached pink NOTICE for the SPO Form TEMP B.

NOTE: The above tax clearance requirement is in addition to the existing requirement for final payment. Refer to the special provisions on INVOICING below for information on the tax clearance requirement for final payment.

**Offer Guaranty.** A BID SECURITY DEPOSIT IS NOT REQUIRED FOR THIS BID.

**Insurance.** Bidder shall provide insurance information as requested on OFFER FORM page OF-3.

**References.** The bidder shall list on OFFER FORM page OF-3, the name, address, point of contact, and phone number for a minimum of two (2) companies or government agencies in the State of Hawaii to whom services similar to those requested herein are currently being provided.

The State reserves the right to contact those listed to inquire about the services being provided to them by the bidder.

**Estimated Requirement.** Quantity indicated in the proposal is estimated and is offered for bid evaluation purposes only. In the event the estimated requirement does not materialize in the exact quantity listed on the proposal, such failure shall not constitute grounds for equitable adjustment under this contract.

## **STATUTORY REQUIREMENTS OF SECTION 103-55, HRS**

Refer to Section 2.8 of the General Terms and Conditions, Offeror shall complete and submit the attached wage certification by which offeror certifies that the services required will be performed pursuant to Section 103-55, HRS.

Offerors are advised that Section 103-55, HRS, provides that the services to be performed shall be performed by employees paid at wages not less than wages paid to public officers and employees for similar work.

Offerors are further advised that in the event of an increase in wage rates to public employees performing similar work during the contract period, Contractor will be obliged to provide wages no less than those increased wages.

## STATUTORY REQUIREMENTS OF SECTION 103-55, HRS (continued)

Contractor shall be further obliged to notify its employees performing work under this contract of the provisions of Section 103-55, HRS, and of the current wage rate for public employees performing similar work. Contractor may meet this obligation by posting a notice to this effect in the Contractor's place of business accessible to all employees, or the Contractor may include such notice with each paycheck or pay envelope furnished to the employee.

Bidder should consider the current wage rates when preparing his/her quote. To assist the bidder in determining whether the work his employees are to perform under this contract is similar to that performed by State employees, attached are class specifications for the following State positions that perform plumbing type duties. Effective July 1, 1994, the basic hourly wages paid to the following State positions are:

<u>Class</u>	<u>Hourly Rate</u>
Irrigation System Servicemen - BC05	\$10.81/hr
Irrigation System Servicemen - BC07	\$11.71/hr
Plumber I - BC10	\$13.44/hr
Sprinkler System Repairer - BC05	\$10.81/hr
Construction & Maintenance Worker I - BC09	\$12.94/hr
Electrician I - BC10	\$13.44/hr

Since repairs shall be performed on State property, bidder is advised that should contract total exceed \$2,000.00, repair work described herein shall be performed by employees paid in accordance with requirements of Chapter 104, HRS (see subsection **b** below). Should Chapter 104, HRS, wages exceed the Section 103-55, HRS, wage requirement, the wages to be paid shall be in accordance with Chapter 104, HRS.

- b. Chapter 104, HRS. The latest minimum wage rates as publicized by the Department of Labor and Industrial Relations shall be paid to the various labor classes listed above if used for the repair performance of this contract on the job site. All work shall be done in accordance with Attachment A to this IFB. Reference is made to Chapter 104, HRS, Wages and Hours of Employees on Public Works.

## METHOD OF AWARD

Award, if any, will be made to the responsible bidder submitting the lowest estimated Total Sum Bid - Groups I and II.

Prior to awarding contract, the State will require certification of the following insurance coverage, if applicable: (1) Worker's Compensation, (2) Temporary Disability, (3) Unemployment Insurance, and (4) Prepaid Health Care.

## **CONTRACT EXECUTION**

The State shall forward a formal contract to the successful offeror for execution. The contract shall be signed by the successful offeror and returned within ten (10) days after receipt by the offeror as specified in Section 3.3 of the General Terms and Conditions.

### **NO PERFORMANCE AND PAYMENT BONDS ARE REQUIRED.**

If the option to extend for the additional twelve-month periods are mutually agreed upon, Contractor shall be required to execute a supplement to the contract for each additional period. The State or the Contractor may terminate the extension at any time upon sixty (60) days prior written notice.

## **ACCEPTANCE OF OFFER**

Acceptance of offer, if any, will be made within sixty (60) calendar days after the opening of offers, and the prices quoted by the offeror shall remain firm for the sixty (60) day period as provided in Section 3.2 of the General Terms and Conditions.

## **PRICE ADJUSTMENT DUE TO WAGE INCREASE**

1. Contractor may apply for price adjustment only if there is a published wage increase to those labor positions particular to this contract and only if Contractor has indicated what % of unit bid price is labor cost.
2. In addition to the actual dollar amount of wage increase, Contractor may apply for the percentage (%) fringe benefits required by Statute.

However, the resulting fringe benefit percentage shall only be applicable to the actual dollar amount of increase, and only the percentage portion which is the corresponding labor cost.

3. These price adjustments shall only be considered at the time of contract extension(s). If the option to extend the contract is exercised, the Contractor shall be notified of any wage increase to State employees doing similar work.

However, if the contract is in excess of \$2,000 and the option to extend the contract is exercised, the Contractor shall provide the State Procurement Office with documentation of DLIR's published wage schedule.

4. If price adjustment is requested, Contractor must submit documentation verifying hourly rate being paid to Contractor's employees.

If request also includes adjusting for wage related fringe benefits, Contractor must also provide support documentation and an itemized percentage breakdown of the fringe benefits being paid.

The State has determined that the applicable fringe benefits for wage related price adjustments shall be limited to: 1) Federal Old Age Benefits, 2) Worker's Compensation, 3) Temporary Disability Insurance, and 4) Prepaid Health Care.

## **SPECIAL PROVISIONS**

**PRICE ADJUSTMENT DUE TO WAGE INCREASE (continued)**

5. If wage increase occurs during the contract but prior to an extension period, price adjustment may be retroactively applied to the effective date of the State's increase, provided Contractor's payroll documentation reflects an hourly rate less than the increased hourly rate being paid to state employees doing similar work.

Should the retroactive price adjustment be approved, Contractor shall provide follow-up documentation that the corresponding retroactive payments were made to the employees assigned to this contract.

6. For this contract, the method by which the **Bid Price** or the **Bid Price/Hour** adjustment shall be calculated is as follows:

- |     |  |   |
|-----|--|---|
| (1) | Unit Bid Price/Service   | = (BPS) for example = \$500.00                              |
| (2) | % of Unit Bid Price/Service<br>that is Labor Cost                                | = (%LC) = 70%   |
| (3) | \$ of Unit Bid Price/Service<br>that is Labor Cost and<br>affected by % increase | = (BPS) x (%LC) = (\$LC), or<br>\$500 x .70 = \$350         |
| (4) | % Wage Increase  | = (%WI) for example = 5%                                    |
| (5) | \$ Unit Bid Price Adjustment   | = (\$LC) x (%WI) = (\$BPA), or<br>\$350 x .05 = \$17.50     |
| (6) | Adj'd Unit Bid Price/Service   | = (BPS) + (\$BPA) = (ABP), or<br>\$500 + \$17.50 = \$517.50 |

7. If allowable fringe benefits are also requested, then the following method of calculation shall be applied:

- |      |  |  |
|------|--|--|
| (7)  | % Total for Allowable<br>Fringe Benefits           | = (%FB) for example = 18%  |
| (8)  | \$ Amount Increase in<br>Unit Bid Price (#5)       | = (\$BPA) or \$17.50   |
| (9)  | \$ Adjustment for Allowable<br>Fringe Benefits     | = (\$BPA) x (%FB) = (\$AFB),<br>or \$17.50 x .18 = \$3.15          |
| (10) | Adj'd Bid Price/Service/<br>Site w/Fringe Benefits | = (ABP) + (\$AFB) = (ABPFB),<br>or \$517.50 + \$3.15 =<br>\$520.65 |

## **WORK SCHEDULE**

The days and hours designated for each site's periodic maintenance and inspection service shall be determined by the Officer-in-Charge and the Contractor after the contract has been awarded.

It is understood, however, that the Contractor agrees to perform all scheduled periodic services between the hours of 7:30 a.m. and 4:00 p.m., Monday through Friday, excluding State holidays. Once the schedule has been agreed upon, the Contractor must be willing and able to provide the complete required service on every scheduled day, unless otherwise determined by the Officer-in-Charge.

Authorized repair work shall be compensated at the fixed hourly rate for work performed during normal working days and hours (Monday - Friday, 7:30 a.m. - 4:00 p.m.).

## **RE-EXECUTION OF WORK**

The Contractor shall re-execute any work that fails to conform to the requirements of the contract and shall immediately remedy any defects due to faulty workmanship by the Contractor. Should the Contractor fail to comply, the State reserves the right to engage the services of another company to perform the services and to deduct such costs from monies due to the Contractor.

## **REMOVAL OF CONTRACTOR'S EMPLOYEES**

Contractor agrees to remove any of its employees from services rendered and to be rendered to the State, upon request in writing by the contracting officer.

## **INVOICING**

Contractor shall submit original and three (3) copies of the invoice to:

State of Hawaii  
Department of Agriculture  
Agricultural Resource Mgm't Division  
1428 South King St.  
Honolulu, Hawaii 96814  
Attention: Mr. Paul Matsuo  
Administrator-Chief Engineer

Invoice shall reference the assigned contract number.

For authorized repair work approved by the Officer-in-Charge, a separate detailed invoice is required. Invoices shall contain a description of the work done, the amount and purchase order number authorizing the work. The Contractor shall also submit copies of material invoices and labor time sheets to substantiate parts and service charges to the State.



## **PAYMENT**

Section 103-10, HRS, provides that the State shall have thirty (30) calendar days after receipt of invoice to make payment. For this reason, the State will reject any bid submitted with a condition requiring payment within a shorter period. Further the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by Section 103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

The tax clearance submitted with your invoice for final payment requires both DOTAX and IRS approvals. The clearance submitted earlier is not acceptable for final payment purposes. You must obtain a new tax clearance from DOTAX and IRS and it must be an original (certified copy is not acceptable), not over 45 days old, with box 3.a. of the **Tax Clearance Application (Form A-6)** completed for a specific contract, purchase order, or job number.

## **LIABILITY INSURANCE**

Contractor shall maintain insurance acceptable to the State in full force and effect throughout the term of this contract. The policy or policies of insurance maintained by the Contractor shall provide the following limits and coverages specified in the Special Provisions of this bid solicitation.

Each insurance policy required by this contract shall contain the following clauses:

1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Accounting and General Services, State Procurement Office, P. O. Box 119, Honolulu, Hawaii 96810-0119."
2. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
3. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

Each insurance policy shall be written by insurance companies licensed to do business in the State or meet Section 431:8-301, Hawaii Revised Statutes, if utilizing an insurance company not licensed by the State of Hawaii.

The Contractor agrees to deposit with the State of Hawaii, on or before the effective date of this contract, certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificate(s) therefor on deposit with the State during the entire term of this contract. Upon request by the State, Contractor shall furnish a copy of the policy or policies.

## **LIABILITY INSURANCE (continued)**

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling the State to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

## **LIQUIDATED DAMAGES**

Refer to Section 6.12 of the General Terms and Conditions. Liquidated damages is fixed at the sum of TEN DOLLARS (\$10.00) for each and every calendar day the Contractor fails to perform in whole or in part any of his obligations specified hereunder.

## **RIGHTS AND REMEDIES FOR DEFAULT**

In the event the Contractor fails, refuses or neglects to perform the services in accordance with the requirements of these Special Provisions, the Specifications, and General Terms and Conditions herein, in addition to the recourse stated in Section 4.2 and 5.6 of the General Terms and Conditions, the State reserves the right to purchase in the open market, a corresponding quantity of the services specified herein and to deduct from any moneys due or that may thereafter become due the Contractor, the difference between the price named in the contract and the actual cost thereof to the State. In case any money due the Contractor is insufficient for said purpose, the Contractor shall pay the difference upon demand by the State. The State may also utilize all other remedies provided by law.

## **ADDITIONS AND EXCEPTIONS TO THE GENERAL TERMS AND CONDITIONS**

**Approvals.** Any agreement arising out of this offer is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.

**Cancellation of Solicitations and Rejection of Offers.** The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency, as provided in Sections 3-122-95 through 3-122-97, Hawaii Administrative Rules.

**General Terms and Conditions Not Applicable.** Sections 2.11 and 2.14 of the General Terms and Conditions which apply specifically to the Request for Proposals method of source selection are not applicable to Invitation for Bids. Also Sections 2.10 and 2.13 which apply specifically to the Invitation for Bids method of source selection are not applicable to Requests for Proposals.

**Records Retention.** The Contractor and any subcontractors shall maintain the books and records that relate to the Agreement and any cost or pricing data for three (3) years from the date of final payment under the Agreement.